



# Memorandum

**TO:** CITY COUNCIL

**FROM:** Mayor Chuck Reed

**SUBJECT:** SEE BELOW

**DATE:** October 30, 2014

Approved

Date

10/30/14

**SUBJECT: OPTION AND PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS FOR SALE OF PROPERTY TO ATHLETICS INVESTMENT GROUP, LLC**

## RECOMMENDATION

Approve the recommendation outlined in the City Attorney's memorandum dated October 24, 2014.

## BACKGROUND

Beginning in 2009, and on many occasions since, this City Council has affirmed its interest in supporting the efforts of the Oakland A's ownership to move the team to San Jose. To that end, the City and the former Redevelopment Agency achieved many milestones including:

- incorporating a ballpark in the master plan for the Diridon Station Area Plan;
- rezoning the property to allow for a ballpark;
- certifying the Ballpark Final Supplemental Environmental Impact Report;
- establishing a Good Neighbor Committee to provide a forum for neighbors to work collaboratively to resolve problems that might arise from development in the Diridon area;
- adopting Negotiating Principles for a development agreement with the A's;
- completing an Economic Impact Analysis for the ballpark that showed strong economic benefits from jobs and tax revenues:
  - \* nearly 1000 jobs
  - \* over \$5 million per year in tax revenues for the City and other local governments
  - \* over \$85 million of annual spending by fans and patron
  - \* over \$400 million in private sector investment to build the ballpark and site improvements

The initial Option Agreement with the Athletics Investment Group, LLC expires on November 7, 2014. A new Option Agreement has been negotiated, the terms of which are consistent with Council approved Negotiating Principles for a privately financed, privately built, privately operated stadium that will generate significant jobs and tax revenues. The Council should approve this new Option Agreement so we can be prepared to move ahead quickly once MLB decides to allow the A's to move.